

Steven J. Pitterle
Director-Negotiations
Wholesale Markets



**GTE Network
Services**

HQE03B67
600 Hidden Ridge
P.O. Box 152092
Irving, TX 75038
972/718-1333
FAX 972/719-1279

June 12, 2000

Grafton Technologies, Inc.
ATTN: Mike Arnold – General Manager
119 East Main Street
Grafton, IL 62037

Dear Mr. Arnold:

GTE has received your letter stating that, under Section 252(i) of the Telecommunications Act of 1996 (the "Act"), Grafton Technologies, Inc. ("Grafton") wishes to adopt the terms of the Interconnection Agreement between US Xchange of Illinois, L.L.C. and GTE South Incorporated and GTE North Incorporated ("GTE") that was approved by the Commission as an effective agreement in the State of Illinois in Docket No. 98-NA-042 (the "Terms"). I understand you have a copy of the Terms. Please note the following with respect to your adoption of the Terms.

1. By your countersignature on this letter, you hereby represent and commit to the following three points:
 - (A) Grafton adopts the Terms of the US Xchange of Illinois, L.L.C. agreement for interconnection with GTE and in applying the Terms, agrees that Grafton Technologies, Inc. shall be substituted in place of US Xchange of Illinois, L.L.C. in the Terms wherever appropriate.
 - (B) Grafton requests that notice to Grafton as may be required under the Terms shall be provided as follows:

To : Grafton Technologies, Inc.
Attention: Mike Arnold – General Manager
119 East Main Street
Grafton, IL 62037
TEL: 618/786-3311
FAX: 618/786-3891

- (C) Grafton represents and warrants that it is a certified provider of local telecommunications service in the State of Illinois, and that its adoption of the Terms will cover services in the State of Illinois only.

2. Grafton's adoption of the US Xchange of Illinois, L.L.C. Terms shall become effective upon GTE's filing of this letter with the Illinois Commerce Commission and remain in effect no longer than the date the US Xchange of Illinois, L.L.C. Terms are terminated. The US Xchange of Illinois, L.L.C. agreement is currently scheduled to expire on February 3, 2001.
3. As the Terms are being adopted by you pursuant to your statutory rights under section 252(i), GTE does not provide the Terms to you as either a voluntary or negotiated agreement. The filing and performance by GTE of the Terms does not in any way constitute a waiver by GTE of any position as to the Terms or a portion thereof, nor does it constitute a waiver by GTE of all rights and remedies it may have to seek review of the Terms, or to seek review in any way of any provisions included in these Terms as a result of Grafton's 252(i) election.
4. On January 25, 1999, the Supreme Court of the United States ("Court") issued its decision on the appeals of the Eighth Circuit's decision in *Iowa Utilities Board*. Specifically, the Supreme Court modified several of the FCC's and the Eighth Circuit's rulings regarding unbundled network elements and pricing requirements under the Act. *AT&T Corp. v. Iowa Utilities Board*, No. 97-826, 1999 U.S. LEXIS 903 (1999). Certain provisions of the Terms may be void or unenforceable as a result of the Court's decision of January 25, 1999 and the remand of the pricing rules to the United States Eighth Circuit Court of Appeals. Moreover, nothing herein shall be construed as or is intended to be a concession or admission by either GTE or Grafton that any provision in the Terms complies with the rights and duties imposed by the Act, the decision of the FCC and the Commissions, the decisions of the courts, or other law, and both GTE and Grafton expressly reserve their full right to assert and pursue claims arising from or related to the Terms.
5. GTE reserves the right to deny Grafton's adoption and/or application of the Terms, in whole or in part, at any time:
 - (a) when the costs of providing the Terms to Grafton are greater than the costs of providing it to US Xchange of Illinois, L.L.C.;
 - (b) if the provision of the Terms to Grafton is not technically feasible; and/or
 - (c) to the extent Grafton already has an existing interconnection agreement (or existing 252(i) adoption) with GTE and the Terms were approved before the date of approval of the existing interconnection agreement (or the effective date of the existing 252(i) adoption).

6. As noted above, pursuant to Rule 809, the FCC gave ILECs the ability to deny 252(i) adoptions in those instances where the cost of providing the service to the requesting carrier is higher than that incurred to serve the initial carrier or there is a technical incompatibility issue. The issue of reciprocal compensation for traffic destined for the Internet falls within this exception. GTE never intended for Internet traffic passing through a telecommunications carrier to be included within the definition of local traffic and subject to the corresponding obligation of reciprocal compensation. Despite the foregoing, some forums have required reciprocal compensation to be paid. This produces the situation where the cost of providing the service is not cost based. With this in mind, GTE opposes, and reserves the right to deny, the adoption and/or the application of the provisions of the Terms that might be interpreted to characterize traffic destined for Internet as local traffic or requiring the payment of reciprocal compensation.
7. Should Grafton attempt to apply the Terms in a manner that conflicts with paragraphs 3-6 above, GTE reserves its rights to seek appropriate legal and/or equitable relief.

Please sign this letter on the space provided below and return it to the undersigned.

Sincerely,

GTE North Incorporated
GTE South Incorporated

Steven J. Pitterle
Director-Negotiations
Wholesale Markets

Reviewed and countersigned as to points A, B, and C of paragraph 1:

Grafton Technologies, Inc.

(SIGNATURE)

(PRINT NAME)

c: Nick Schmidt – HQE03B74 - GTE